

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
DANIEL R. SIDDONS	:	VIOLATIONS:
	:	18 U.S.C. § 1341 (mail fraud- 9 counts)
	:	18 U.S.C. § 1343 (wire fraud - 5 counts)
		18 U.S.C. § 1344 (bank fraud - 1 count)
		Notice of forfeiture

INDICTMENT

COUNTS ONE THROUGH NINE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

Introduction

1. Between in or about 1996 and in or about 2003, defendant DANIEL SIDDONS worked in the financial industry as a financial advisor and was licensed to sell various types of financial instruments and securities.

2. As a financial advisor, defendant DANIEL SIDDONS was authorized to advise his employer's customers regarding the purchasing of investment products, including annuities, mutual funds, and stocks and bonds, offered at his employer's financial institution, after determining the customer's suitability.

3. Whether a customer was suitable to invest money in a financial vehicle or security is a determination made by the financial advisor from the essential facts relating to the customer, their financial situation and goals, and their investment experience since not all financial investments are secured and the money may be lost.

Employment in the Financial Industry

4. Between on or about June 26, 2000, and on or about July 2, 2001, defendant DANIEL SIDDONS was employed as a financial advisor for Dreyfus Investment Services Company, LLC (hereinafter “Dreyfus”), which was the investment arm of Mellon Bank. Citizens Bank acquired Mellon Bank in 2001.

5. Between on or about July 9, 2001, and on or about June, 2002, defendant DANIEL SIDDONS was employed as a financial advisor at First Union Securities, Inc., which was the investment arm of First Union Bank.

6. In or about June, 2002, after Wachovia Securities acquired First Union Securities, Inc., defendant DANIEL SIDDONS was retained as a financial advisor for Wachovia Securities. Defendant SIDDONS resigned from Wachovia Securities on or about January 23, 2003.

7. As a financial advisor for the each of the banks listed above, defendant DANIEL SIDDONS’ job was to advise the bank’s customers about the financial benefits of the banks associated securities investment products and to manage their accounts. Defendant SIDDONS received funds or authorizations to transfer funds from customers, who intended to purchase the associated securities investment products.

Companies Owned by defendant Daniel Siddons

8. On or about October 25, 2002, defendant DANIEL SIDDONS, M.S., and F.A. formed MFD Property Holdings, LLC. (hereinafter “MFD”) , located at 1533 Ann Drive, in West Chester, Pennsylvania, to develop real estate. Through investors who were issued promissory notes, MFD developed two properties in the Wildwood, New Jersey area. After the sale of the developed properties, the investors were paid on their notes or defendant SIDDONS placed the funds in another investment. The company was dissolved on or about August 8, 2005.

9. In or about February, 2003, defendant DANIEL SIDDONS and F.A. formed Bayshores Inn, Inc.

10. On or about March 13, 2003, defendant DANIEL SIDDONS formed Bayshores Property Holdings, LLC., P.O. Box 277, Sommers Point, New Jersey, 08234. (hereinafter “Bayshores”).

3551 Bargaintown Road, Egg Harbor Township, New Jersey

11. Between in or about January, 2003, and in or about January, 2006, defendant DANIEL SIDDONS sought mostly elderly investors to fund the purchase of approximately 7 acres of land at 3551 Bargaintown Road in Egg Harbor Township, New Jersey, to develop a residential 55 and older community. This property contained a bar and restaurant,

12. By in or about Fall 2004, although defendant DANIEL SIDDONS knew he was unable to secure the purchase of the Egg Harbor Township property because of legal and financial issues, he failed to inform any of the investors of these issues.

Bank accounts used by defendant Daniel Siddons

13. MFD conducted its banking transactions through the First Union National Bank and opened a business account, the account number ending with 7661, in on or about November 5, 2002. The listed address on the account was 1525 Windermere Road, Unit #101, West Chester, PA 19380, the apartment of defendant DANIEL SIDDONS. On or about April 23, 2004, the account was closed

14. MFD also maintained a business high performance money market account, the account number ending with 7687, at the First Union National Bank. The address listed on the account was 1525 Windermere Road, Unit #101, West Chester, Pennsylvania 19380. On or about February 18, 2003, this account was closed by First Union Bank as an overdrawn account

15. On or about January 16, 2003, defendant SIDDONS, M.S., and F.A. opened an account, ending with 4606, at Interstate Net Bank. The address listed on the account was C/O Dan Siddons, 1525 Windermere Rd., Unit 101, West Chester, Pennsylvania 19380. The account was originally opened as a money market account and was changed to a small business checking account on or about January 23, 2003. On or about March 29, 2004, F.A. requested that his name be removed from the account as an authorized signer. The account was closed on or about April 29, 2004.

16. Between on or about February 13, 2003, and on or about July 30, 2004, Bayshores conducted its bank transactions through a bank account, ending with 0344, through Crown Bank. The signer on the account was defendant DANIEL SIDDONS. The account was closed in August 2004.

17. In or about March, 2005, defendant DANIEL SIDDONS opened an account, ending in 02720, at Wachovia Bank in the name of Bayshores Property Holding, LLC.

Defendant SIDDONS was the only authorized person on the account. The account closed in May 2005.

18. On or about April 29, 2005, defendant DANIEL SIDDONS opened a business checking account, ending in 5293, at Commerce Bank in the name of Bayshores Property Holdings, LLC. Defendant SIDDONS was the only authorized person on the account. The account closed in July, 2007.

THE SCHEME

19. From in or about October, 2002, to in or about November 2007, defendant

DANIEL R. SIDDONS

devised and intended to devise a scheme to defraud investors of Bayshores and to obtain money and property by means of false and fraudulent pretenses, representations and promises, and diverted funds to his own use.

MANNER AND MEANS

20. It was part of the scheme that defendant DANIEL SIDDONS:

a. Solicited individuals and former bank clients, who were elderly, unsophisticated in investments, or otherwise vulnerable and unsuitable investors, to invest more than \$1,000,000 with him, by falsely representing to investors that the investment was no-risk, that their principle was guaranteed, and that the interest rate was higher than what the investor was currently receiving on their money;

b. Spent most of the invested money to pay earlier investors or on personal items for himself;

c. Invested only a small portion of the money entrusted to him, placing this portion in a high-risk venture in the name of defendant SIDDONS and his business entities;

c. Gained investors' trust and confidence through his financial expertise and his previous financial advisor position at the banks, and caused and assisted his former clients to liquidate other investments, annuities or insurance policies and invest some or all of the proceeds with him;

d. Encouraged investors to invest additional monies to receive an even higher interest rate;

e. Provided investors Notes, without explaining the terms, including terms which attempted to eliminate any personal liability;

f. Provided investors monthly statements showing their investment growing, when in fact, defendant SIDDONS had used the investors' monies for other purposes; and

g. Assured investors that he would repay them in full, well knowing that he would and could not do so.

It was further part of the scheme that:

21. Defendant DANIEL SIDDONS used investors' monies to fund a high-end life-style, which included purchases of a Mercedes Benz sports car, a Hummer sport utility vehicle, jewelry, and extensive dental work, among other personal items and expenses.

22. To delay or avoid responding to the legitimate concerns of his investors:

(a) Defendant DANIEL SIDDONS provided lies and false excuses to investors about the status of their investments or bounced interest checks sent by him.

(b) Defendant SIDDONS provided investors with disconnected telephone numbers to prevent them from getting in touch with him.

(c) Through at least on or about April 16, 2006, defendant SIDDONS continued to mail, or caused to be mailed, fraudulent monthly statements of accounts to investors, which contained the return mailing address of the bar and restaurant at 3551 Bargaintown Road, Egg Harbor, NJ 08234, which was closed on or about September 20, 2004. According to the United States Postal Service, defendant SIDDONS never submitted a forwarding address order to another address.

(d) Through at least on or about March 31, 2005, defendant SIDDONS continued to use letterhead on promissory notes issued to investors, which contained the address of Bayshores Property Holding LLC, P.O. Box 277, Somers Point, NJ 08234. According to United States Post Office records, P.O. Box 277 was closed by defendant SIDDONS on August 23, 2003 with no forwarding address order.

(e) Defendant SIDDONS also ignored and refused to return phone calls of his investors.

(f) Defendant SIDDONS failed to repay many of his investors most or all of their investments, which for some constituted their life savings.

23. As a result of the scheme executed by defendant DANIEL SIDDONS, investors entrusted approximately \$1,426,551 with him between in or about October 2002 and in or about January 2006, including but not limited to the investors as set forth below:

Investor	Approximate Age Of Investor	Approximate Amount of Money Invested with Defendant SIDDONS
S.C. & M.C	76	\$192,973.83
G.D. & M.D.	80	\$145,921.43
M.F.	52	\$21,000
M.S.	33	\$24,820
J.C.	82	\$118,171
E.M.	83	\$123,478.18
E.MC.	76	\$110,000
A.S. & S.S.	70	\$50,000
J.S.	64	\$51,300

24. On or about the dates shown below, in the Eastern District of Pennsylvania, and elsewhere, defendant

DANIEL R. SIDDONS,

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered by United States mail according to the directions thereon, or commercial interstate carrier, that is DHL, or United Parcel Service (UPS), according to the directions thereon, any matter or thing, that is letters, false investment statements, or interest payment checks to the locations shown below, each mailing constituting a separate count.

Count	On or about Date	Investor	Item	Means of Mailing from defendant SIDDONS	To
1	6/8/04	M.F.	Check #1234 in the amount of \$5,000	UPS	Warminster, PA
2	6/17/04	G.D.	Letter	U.S. Mail	Blue Bell, PA
3	7/23/04	G.D.	Check #1255 in the amount of \$1138.43 and handwritten note	UPS	Blue Bell, PA
4	3/11/05	E.McA	Check #1067419 in the amount of \$116,973.31	DHL	West Chester, PA
5	1/9/06	S.S. & A.S	Statement	UPS	Philadelphia, PA
6	3/1/06	E.McA	Letter	U.S. Mail	Philadelphia, PA
7	4/6/06	S.S. & A.S.	Letter	U.S. Mail	Philadelphia, PA
8	3/27/06	J.C.	Letter	U.S. Mail	Philadelphia, PA
9	4/6/06	J.C.	Statement	U.S. Mail	Philadelphia, PA

All in violation of Title 18, United States Code, Section 1341.

COUNTS TEN THROUGH FOURTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 18 and 20 through 24 of Counts One through Nine are re-alleged here.

2. On or about the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, defendant

DANIEL R. SIDDONS,

for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds describe below, that is, facsimile transmissions, each transmission constituting a separate count:

COUNT	On or about DATE	Investor	Description of transmission from defendant SIDDONS
10	3/3/2003	G.D.& M.D	Fax from Pennsylvania to Iowa, a distribution form for annuity in the name of G.D. & M.D.
11	3/3/2003	G.D & M.D	Fax from Pennsylvania to Texas, distribution form for annuity in the names of G.D. and M.D.
12	4/28/2005	J.C.	Fax from Pennsylvania to Iowa, a distribution form for annuity in the name of J.C.
13	9/23/2005	E.M.	Fax from Pennsylvania to Iowa, a distribution form for annuity in the name of E.M.
14	1/26/2006	J.C.	Fax from Pennsylvania to Massachusetts, a distribution form for annuity in the name of J.C.

All in violation of Title 18, United States Code, Section 1343.

COUNT FIFTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 18, and 20 through 24 of Counts One through Nine are re-alleged here.

2. Wachovia Bank was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation, certificate # 33869.

3. Between in or about 2002, and in or about 2005, defendant DANIEL SIDDONS maintained a Visa credit card, number ending in 1217, through Wachovia Bank in his name with a credit limit of \$2,500.

4. From in or about June, 2004, through in or about March, 2005, in the Eastern District of Pennsylvania and elsewhere, defendant

DANIEL R. SIDDONS

knowingly executed, and attempted to execute, a scheme to defraud Wachovia Bank, and to obtain monies owned by and under the custody and control of Wachovia Bank, by means of false and fraudulent pretenses, representation, and promises.

THE SCHEME

5. On or about June 6, 2004 defendant DANIEL SIDDONS started the credit month with a balance of approximately \$2,403.16 on his Visa credit card. Thereafter, he continued to make charged purchases until on or about June 14, 2004, when his balance reached approximately \$2,495.44 leaving an available credit line of approximately \$4.56.

6. On or about June 21, 2004, defendant DANIEL SIDDONS sent a \$1,000 check, number 1245, drawn on his Crown Bank account ending in 0344, to Wachovia Bank as

payment for his Visa credit card account number ending in 1217 knowing he had insufficient funds in his Crown Bank account.

7. On and about June 23, 2004, defendant DANIEL SIDDONS sent a \$1,000 check, number 1246, drawn on his Crown Bank account ending in 0344, to Wachovia Bank as payment for his Visa credit card account, number ending in 1217, knowing he had insufficient funds in his Crown Bank account.

8. Through his payments with insufficient checks, defendant DANIEL SIDDONS falsely caused Wachovia Bank to believe that legitimate payments were made, resulting in Wachovia Bank providing defendant SIDDONS with additional credit on his credit card.

9. After defendant DANIEL SIDDONS continued to incur charges, by on or about July 1, 2004, his Visa credit card had a balance of \$4,292.64, when Wachovia Bank discovered that his payment checks were made from an account with insufficient funds.

10. In or about March, 2005, Wachovia Bank wrote off the \$5,498.35 balance on defendant DANIEL SIDDONS' Visa credit card as a loss.

In violation of Title 18 U.S.C. Section 1344.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1341, 1343, and 1344, set forth in this indictment, defendant

DANIEL R. SIDDON

shall forfeit to the United States of America any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offenses, including, but not limited to the following:

- a. the sum of \$1,426,551.10;
- b. the 1999 SL-500 Mercedes Benz roadster convertible, VIN:
WDBFA68F9XF184167, license FHD8225; and
- c. a Rolex Watch TT Daytona.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be
divided without difficult;

it is the intent of the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C), Title 28, United States Code, Section 2461(c), incorporating Title 21, United

States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 981(a)(1)(C).

A TRUE BILL:

GRAND JURY FOREPERSON

PATRICK L. MEEHAN
United States Attorney